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Approved For Release 2001/04/05 : CIA-RDP80-01370R000200050006-9

~~CONFIDENTIAL~~

18 MAY 1960

Director of Communications

Comptroller

Funding for the Procurement of New Operational
Type Communications Equipment

1. This is in reply to your memorandum of 18 December 1959 which was concurred in by the Deputy Director (Plans) on 6 January 1960.
2. In general, this Office concurs in the establishment of the procurement and budgeting policy outlined and the implementing procedures therefor. Your suggestion, which is directed to the requirements of new operational type communications equipment, is also applicable to TEB type equipment, part of the contingency stock-pile requirements, and other long lead-time types of equipment. To some extent, if not wholly so, the budgetary requirements for equipment in this category can be met by funds budgeted for property issued from stock that will not need to be replaced. For example, the new operational type communications equipment may represent improved or new types of equipment that will replace existing stocks. The funds made available due to stock issued for consumption or placed in use, should be used for the long lead-time procurement.
3. Therefore, with reference to the development of the budget estimate outlined in paragraph 1 (D) of your memorandum, an estimate should be included of the amount that will become available through stock issues that will not need to be replaced. This may reduce the budget estimate considerably which will be a factor in the total Agency budgetary requirements.
4. The recommendation in paragraph 4 of your memorandum that an estimate for Fiscal Year 1961 be developed and coordinated is concurred in, subject to the inclusion of an offsetting amount for stock issues not to be replaced. Since DD/P has concurred in your proposal, it is assumed that in accordance with paragraph 4 of your memorandum priority consideration will be given by DD/P to this requirement in the reprogramming of the Fiscal Year 1961 funds.

Bnd
BD/COMP/BNL/yvs (18 May 1960)

Distribution:

- Orig & 1 - Addressee
- 1 - DD/S
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E. R. SAUNDERS

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